

CORRECTED COPY

GENERAL PURPOSE STANDING COMMITTEE No. 1

Tuesday 15 September 2009

Examination of proposed expenditure for the portfolio area

PREMIER

The Committee met at 2.00 p.m.

MEMBERS

Reverend the Hon. F. J. Nile (Chair)

The Hon. M. J. Gallacher
The Hon. K. F. Griffin
The Hon. T. J. Khan

The Hon. E. M. Obeid
Ms L. Rhiannon
The Hon. P. G. Sharpe

PRESENT

The Hon. N. Rees, *Premier, and Minister for the Arts*

Department of Premier and Cabinet
Mr J. Lee, *Director General*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare the hearing for the inquiry into the budget estimates 2009-2010 open to the public. I welcome Premier Rees, who is accompanied by John Lee. Today the Committee will examine the proposed expenditure for the Premier's portfolio. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or Committee clerks. Mr Premier, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers whilst at the table. I remind everyone to please turn off their mobile phones.

The Committee has agreed to the following format of 20 minutes of questions from the Opposition, 20 minutes from the crossbench split into 10-minute segments, and 20 minutes from the Government representatives. We will look at having a tea break for a few minutes at 3.30 p.m. I have received a message from Mr Lee in which he advises that the Premier asked him to write to confirm that he would be pleased to deal with any questions, including questions relating to his portfolio as Minister for the Central Coast, when he appears before the General Purpose Standing Committee No. 1 this afternoon.

Transcripts of this hearing will be available on the web from tomorrow morning. The House has resolved that answers to questions on notice must be provided within 21 days. The Committee has resolved that answers to questions on notice be provided within 35 days. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Mr Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

JOHN LEE, Director General, Department of Premier and Cabinet, sworn and examined:

CHAIR: I declare the proposed expenditure for the Premier's portfolio open for examination. As there is now no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from Mr Gallacher.

The Hon. MICHAEL GALLACHER: Premier, why is there a widespread community perception that a stench of corruption surrounds your Government?

Mr NATHAN REES: That is your view.

The Hon. EDDIE OBEID: Point of order: what line item in the budget is that?

The Hon. MICHAEL GALLACHER: We have had this game by the Government for years. It is an accepted practice in relation to estimates that questioning can be wide-ranging. We do not, as you know Mr Chairman, have to refer to budget line issues. It is all to do with the ability of the Government to manage the business of New South Wales and the question is based on that premise.

The Hon. EDDIE OBEID: This is an occasion to ask questions in relation to the budget for 2009-10, not about his view or his opinion, or what the Premier's opinion is.

CHAIR: Could you rephrase the question so that it is related to the budget estimates?

The Hon. MICHAEL GALLACHER: Is the Premier concerned that there is a widespread perception amongst the community that there is a stench of corruption surrounding his Government?

The Hon. EDDIE OBEID: It is the same question, Mr Chair.

The Hon. MICHAEL GALLACHER: You cannot cut it any way. There is a perception in the community and I believe that the Premier needs to address it before moving forward in terms of any grand plans or ideas that the Government may have. While this perception exists, it is a blight over the Government and its ability to move forward. He must address the issue.

The Hon. EDDIE OBEID: We are not interested in Mr Gallacher's opinion.

The Hon. TREVOR KHAN: You may not be, but the public is.

The Hon. EDDIE OBEID: We are interested in the estimates. You can ask questions on the budget, not in relation to an opinion on what the community might or might not think.

The Hon. MICHAEL GALLACHER: I would have thought a question about the perception of the Government's ability to manage allegations of corruption is paramount to the ability of the Government to manage this State.

The Hon. EDDIE OBEID: It is totally out of order, Mr Chairman.

Mr NATHAN REES: If you have an assertion to make, don't make it here. Make it to the Independent Commission Against Corruption [ICAC] or the police. It is as straightforward as that.

The Hon. MICHAEL GALLACHER: I asked you a question not about allegations—

Mr NATHAN REES: Otherwise you are simply engaging in a well-trodden path of smear. If you have something, put up or shut up—it is as simple as that.

The Hon. MICHAEL GALLACHER: I did ask you a question not about allegations but a perception in the community. Do you acknowledge that there is a perception in the community that there is a stench of corruption within your Government?

The Hon. EDDIE OBEID: Mr Chair, again and again we are going to object to this line of questioning. This is not what budget estimates are about. This is what he might think the community thinks. It is up to the community to decide during an election. We are the elected government. This is the Premier. He can ask questions within the budget estimates provided to him.

The Hon. MICHAEL GALLACHER: I did not refer to allegations.

Mr NATHAN REES: Well, you did.

The Hon. MICHAEL GALLACHER: I have referred to a perception in the community and this gives the Premier an opportunity to address that perception.

Mr NATHAN REES: No, it does not.

The Hon. MICHAEL GALLACHER: Well, when does it, Premier? When is there an opportunity for you to address it?

Mr NATHAN REES: I am here for a specific purpose this afternoon. If you want to continue down this path, go your hardest, but my strong advice to you is to take anything you have to the appropriate investigative authority instead of trying it on here.

CHAIR: The question should be asked in the Parliament during question time.

The Hon. MICHAEL GALLACHER: This is what estimates is about, Mr Chairman.

The Hon. EDDIE OBEID: No, it is not.

The Hon. MICHAEL GALLACHER: Estimates are about an opportunity to discuss the future direction of the State Government pursuant to its budget and the perception in the community is that this is a corrupt government and therefore cannot move forward on anything that is in those budget papers. This is about giving the Premier an opportunity to raise the issue of corruption himself and to address the concerns that exist in the public. Denying it and saying to take it to ICAC and to other bodies is simply not the way this should be addressed.

CHAIR: That is the way that the Premier has chosen to answer the question. We need to move on to another question.

The Hon. MICHAEL GALLACHER: Premier, how do you intend to address the issue that, whilst you are trying to create this image of moving forward to the electorates, the message is not getting through because they are focused on the stench of corruption that exists within your Government? How do you intend to get that message through, to focus on what you want to do rather than what is being perceived in the electorate?

The Hon. EDDIE OBEID: Point of order.

The Hon. MICHAEL GALLACHER: That is a fair question. How are you going to get around the fact that, despite what you say, the Government is not getting its message through to the electorate because you are not answering the questions that they want asked?

The Hon. EDDIE OBEID: Point of order: This is the same line of questioning. If the member wants to persist I suggest you should rule him out of order, Mr Chairman. This is not what budget estimates are about.

CHAIR: The member can rephrase the question and simply ask the Premier how he will get his message to the public, full stop, without the rhetoric attached to the question.

The Hon. MICHAEL GALLACHER: It is not rhetoric.

CHAIR: It is.

The Hon. MICHAEL GALLACHER: It is a fact that there is that perception. Through you, Mr Chairman, to the Premier: Therefore, Premier, are you saying that any perception about the stench of corruption involving your Government is simply illusory—it does not exist—or does it exist?

Mr NATHAN REES: No, I am saying that if you are a responsible elected member and you have any material, you ought to put up or shut up, rather than use this forum as a means of unsubstantiated smear and innuendo. If you have material—

The Hon. MICHAEL GALLACHER: Give me one allegation I have made, Premier, that is smear.

Mr NATHAN REES: If you have material, forward it to the appropriate authority. It is as straightforward as that, otherwise you are engaging in something other than what this forum is for.

The Hon. MICHAEL GALLACHER: Please give me one indication of an allegation that I have made today that is smear.

The Hon. EDDIE OBEID: What is the word "stench"?

The Hon. MICHAEL GALLACHER: Give me one example. I am talking about community perception and what you are doing to address it.

Mr NATHAN REES: I am not going to speculate on community perception here this afternoon. I am here for a specific purpose of answering questions as they relate to the budget and the line items in the budget. I am happy to do that. If you want to embark on some alternate display, that is your prerogative. It is ultimately in the hands of the Chair. If you would also like me to talk about the \$62 billion in infrastructure spending and the 160,000 jobs we are supporting in doing that, I am happy to do so. If you would like me to talk about the record spend in our health system, I am happy to do that. If you would like me to talk about the New South Wales education system being the best in Australia as independently assessed as recently as last week, I am happy to do that. If you would like me to talk about crime rates being stable or falling in 16 out of 17 categories, I am happy to do that as well. Is there fertile ground for an examination of how we could improve our conveyance of those messages and those outcomes to the people of New South Wales? I think there probably is. The reality is that this is not a forum for the exercise you are seeking to undertake.

The Hon. MICHAEL GALLACHER: You have indicated that you are prepared to at least discuss methods by which you could get your message out to the electorate. Is that correct? Are you prepared to discuss that?

Mr NATHAN REES: If it is in the budget papers.

The Hon. MICHAEL GALLACHER: It is. Can you indicate to the Committee what is currently blocking you from getting your message out to the electorate?

Mr NATHAN REES: That is an impossible question to answer.

The Hon. MICHAEL GALLACHER: It is not an impossible question. What is stopping you getting the message out? What do you see as a challenge for you to get all of these messages out in relation to the budget? What is the biggest challenge, or the top three challenges, for you to get your message out?

Mr NATHAN REES: Mr Chair, I cannot see the relevance of this to a line-by-line examination of the budget papers. It is as straightforward as that.

The Hon. MICHAEL GALLACHER: It is not a question of whether you can see it. The question is, are there challenges?

Mr NATHAN REES: You are asking me to speculate on the views of the seven million people of New South Wales. I simply am not in a position to do that. In a reasonable moment you would concede that.

The Hon. MICHAEL GALLACHER: I am asking you to acknowledge that they have concerns and I am asking you what steps you are taking to address those concerns regarding your ability as a Government to

perform as a Government. You have to acknowledge there is concern out there and I am asking you what you are doing to address it.

Mr NATHAN REES: No-one in the community has approached me on any of the issues that you raise, so I do not concede it for a moment.

The Hon. MICHAEL GALLACHER: None whatsoever?

Mr NATHAN REES: No.

The Hon. MICHAEL GALLACHER: You do not read newspapers, you do not watch television or listen to radio?

Mr NATHAN REES: Yes, as it happens I do. I am simply saying that no-one in the community has approached me on these issues. That may be inconvenient for you but that is a fact.

The Hon. MICHAEL GALLACHER: I have not raised specific issues. I have just raised the speculation and the perception in the community. Which issues are you talking about?

The Hon. EDDIE OBEID: You should be talking about it and asking the question.

The Hon. MICHAEL GALLACHER: No, the Premier has just said no-one has raised these issues with him. I am asking which issues he is talking about.

Mr NATHAN REES: The matters referred to in media reports recently.

The Hon. MICHAEL GALLACHER: Which ones are they?

Mr NATHAN REES: The ones to which you refer—Mr McGurk, and so on.

The Hon. MICHAEL GALLACHER: I did not mention Mr McGurk.

Mr NATHAN REES: What is your point? Have you got a question? I am happy to answer questions and you have a couple of hours in which you can grill me, but I would have thought it served the people of New South Wales better if you had some specific questions that you would get some specific answers to.

The Hon. MICHAEL GALLACHER: This is specifically at the heart of community confidence in relation to the Government.

Mr NATHAN REES: That is what you assert. I disagree. I think the people of New South Wales are after us to deliver improved services, which is precisely what we are doing.

The Hon. EDDIE OBEID: Point of order: If this is going to prolong the line of questioning on budget estimates we will move to dissent. This is not the way budget estimates are supposed to be run. If he has something to ask in relation to the budget estimates, the Premier is more than willing to answer, but to raise all these other issues, which are outside the scope of this inquiry—

The Hon. MICHAEL GALLACHER: I have not raised one issue.

The Hon. EDDIE OBEID: You are raising issues outside the scope of this inquiry. You know better than that.

The Hon. MICHAEL GALLACHER: Which issues am I raising?

The Hon. EDDIE OBEID: Maybe I can refer to the fact that O'Farrell is a fool. Answer that.

The Hon. MICHAEL GALLACHER: Which issues am I raising?

The Hon. EDDIE OBEID: You are raising issues that have got nothing to do with this inquiry. You know the terms of reference of this inquiry. If you have not read them, go back and read them.

The Hon. MICHAEL GALLACHER: It is all to do with the ability of the Government to govern. I have not raised any issues. I have asked a question about perception.

The Hon. EDDIE OBEID: That is for the community to decide at the appropriate time, not for you to make suggestions in this Committee.

The Hon. MICHAEL GALLACHER: This is an opportunity for the Premier to allay those community concerns.

The Hon. EDDIE OBEID: This Committee is not the forum for that.

The Hon. MICHAEL GALLACHER: Premier, when concerns are raised with you regarding serious allegations against members of your Government, what is your approach to those allegations? Do you immediately—

Mr NATHAN REES: Have you got a specific or are you asking a generic?

The Hon. MICHAEL GALLACHER: I am asking a generic. I want to know the approach that you take as Premier to a serious allegation.

Mr NATHAN REES: I would refer it to the appropriate authority immediately.

The Hon. MICHAEL GALLACHER: You do not make any inquiries yourself?

Mr NATHAN REES: I am not going down that path. If you have a specific, I am happy to address it.

The Hon. MICHAEL GALLACHER: I am asking whether you act or whether you wait for the appropriate authority to report back to you before you act. What is the approach that you take?

Mr NATHAN REES: In the main, knowing that when a member of Parliament found out about an issue is equally as important as what they did. In the main my approach, generically, is to advise the appropriate authority if and when it ever occurs.

The Hon. MICHAEL GALLACHER: Advise them immediately but not make any inquiries yourself before you refer it to the authority?

Mr NATHAN REES: I am not an investigative authority. Let us be clear on that. We have the Crime Commission, the police, the Independent Commission Against Corruption, the Ombudsman and so on. If you or anyone else has an issue that you believe warrants examination, forward it to them.

The Hon. MICHAEL GALLACHER: I am not asking that. I am asking what is your approach when allegations are made to you.

Mr NATHAN REES: I have answered that.

The Hon. MICHAEL GALLACHER: Is that the approach you took in relation to Tony Stewart?

Mr NATHAN REES: I will go back through the sequence of events as I recall them. There was a complaint made and we appointed someone independently to examine it. That was the most appropriate course of action.

The Hon. MICHAEL GALLACHER: What was the approach you took to Mr Stewart's position once you had called for an inquiry? Was he stood down or did he continue in that position?

Mr NATHAN REES: No, he stood aside.

The Hon. MICHAEL GALLACHER: He stood aside following a discussion with you and then the inquiry took place.

The Hon. PENNY SHARPE: Point of order: This matter is still before the courts and it should not be dealt with in this forum.

The Hon. MICHAEL GALLACHER: It is not before the courts, it has been finalised.

Mr NATHAN REES: The parties are still considering the judgement.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee what was the approach you took in relation to Mr Matt Brown?

Mr NATHAN REES: There was not a complainant. There was an assertion of an event and I undertook inquiries of my own.

The Hon. MICHAEL GALLACHER: Did he deny the allegation?

Mr NATHAN REES: He came to me on the day and in response to media queries, from memory. He said there had been media queries around a particular event and gave me his version of events.

The Hon. MICHAEL GALLACHER: Did you ask him to step down?

Mr NATHAN REES: Ultimately I asked him for his resignation.

The Hon. MICHAEL GALLACHER: Did he deny the allegations?

Mr NATHAN REES: What emerged was that the version he had given me initially was incomplete.

The Hon. MICHAEL GALLACHER: How did you form that opinion?

Mr NATHAN REES: I made my own inquiries. Can I make a distinction—

The Hon. MICHAEL GALLACHER: So you are an investigator when it suits you?

Mr NATHAN REES: You are a former policeman, aren't you?

The Hon. MICHAEL GALLACHER: Yes.

Mr NATHAN REES: You will understand the distinction between the two cases, one in which there was a complainant—Mr Stewart's matter—and one in which there was no complainant.

The Hon. MICHAEL GALLACHER: When it suits you, you conduct investigations, and at other times you do not.

Mr NATHAN REES: Draw your own conclusion.

The Hon. MICHAEL GALLACHER: I think it is a fair assessment, given that within the last two minutes you have described how you do not conduct investigations yet on this occasion you did. In relation to Mr Brown, did you conduct those investigations personally or did someone else do it?

Mr NATHAN REES: They are fundamentally different matters.

The Hon. MICHAEL GALLACHER: Did you conduct the inquiries about Mr Brown personally or did you have someone—

Mr NATHAN REES: They are fundamentally different matters.

The Hon. MICHAEL GALLACHER: How are they fundamentally different matters?

Mr NATHAN REES: I have just outlined it for you. There was a complainant in the case of Mr Stewart. I took that extremely seriously. There was a young woman in the employ of the Government at the time who obviously needed support. Mr Stewart was also entitled to procedural fairness. It was on that basis that an

independent investigator, Chris Ronalds SC, was appointed to conduct that examination at arm's length from the Government. That is appropriate given that there was a complaint.

The Hon. MICHAEL GALLACHER: Were they not both allegations of sex-based harassment within the workplace?

Mr NATHAN REES: In relation to—

The Hon. MICHAEL GALLACHER: Premier, were they not both sex-based harassment allegations within the workplace?

CHAIR: Let the Premier answer the question. He is answering the question.

Mr NATHAN REES: In relation to Mr Brown, there was in fact no complainant. There was a media query. Neither was involved in any allegation of corruption. So they are entirely unrelated matters and called for different approaches.

The Hon. MICHAEL GALLACHER: Premier, were they not both matters relating to sex-based harassment within a workplace?

Mr NATHAN REES: No.

The Hon. MICHAEL GALLACHER: They were not?

Mr NATHAN REES: No.

The Hon. MICHAEL GALLACHER: How would you describe them? Where would they fall within the category of how you would approach them?

Mr NATHAN REES: There was no complainant for Mr Brown.

The Hon. MICHAEL GALLACHER: No, no, no. The allegations—

Mr NATHAN REES: There was an assertion.

The Hon. MICHAEL GALLACHER: —were of a similar nature.

Mr NATHAN REES: There was an assertion. Ultimately, Mr Brown resigned, on the basis that he had been incomplete with the truth with me earlier in the week.

The Hon. MICHAEL GALLACHER: But, Premier, is not the nature of both allegations similar?

Mr NATHAN REES: Part of Mr Brown's, but that is not the element that persuaded me.

The Hon. MICHAEL GALLACHER: And when you said in relation to Mr Brown there was no complainant, did you make the inquiries to determine whether there was no complainant?

Mr NATHAN REES: I made my own inquiries as to what people had seen on that evening.

The Hon. MICHAEL GALLACHER: Okay. Did you make any inquiries of the—

Mr NATHAN REES: This has all been well documented.

The Hon. MICHAEL GALLACHER: I know. But I would like to hear your answers, if that is okay with you. Mr Premier, did you make similar inquiries, your own inquiries, in relation to the allegations surrounding Mr Stewart's matter?

Mr NATHAN REES: Ultimately, I formed the view, based on their account of two separate incidents to me, that they had been incomplete in their versions to me, and on that basis I no longer had confidence in them as Ministers. Now, that's the long and short of both those matters.

The Hon. MICHAEL GALLACHER: So, Premier, let me get an understanding: Therefore, if there is no complainant, and you have an allegation or something that is of concern to you, you may or may not make some inquiries in relation to it. Is that correct?

Mr NATHAN REES: Sorry? Can you repeat that?

The Hon. MICHAEL GALLACHER: If you become aware of an allegation—

Mr NATHAN REES: Look, I'm not—

The Hon. MICHAEL GALLACHER: —and there is no complainant, will you then assert therefore that you may or may not—

Mr NATHAN REES: My response—

The Hon. MICHAEL GALLACHER: No, please. Mr Chair, I have not had an opportunity to finish the question. The Premier asked me to repeat the question, and now he is trying to second-guess what he did not hear on the first occasion. Premier, I need an understanding from you in terms of the process that you undertake. If you have no complainant but you become aware of an allegation, do you then make some inquiries yourself to satisfy yourself in relation to that, before you proceed to referring it to an authority?

Mr NATHAN REES: In a generic sense, it would be entirely dependent on the nature of the issue, and your response is proportionate to the nature of the issue.

The Hon. MICHAEL GALLACHER: Okay. So if there was something that was of a serious nature, or that you thought was rather extraordinary, you may or may not make some personal inquiries of that allegation, if you have got no complainant?

Mr NATHAN REES: That depends on the issue.

The Hon. MICHAEL GALLACHER: Premier, did you make any inquiries following public revelations that Mr Graeme Richardson was on a \$25,000 monthly retainer to Medich Properties?

Mr NATHAN REES: No.

The Hon. MICHAEL GALLACHER: It never occurred to you, Premier, to ask the question why somebody gets paid \$25,000 a month as a retainer?

Mr NATHAN REES: It is not my purview to examine that. I have every confidence in the integrity of, for example, the planning system and the planning Minister, and it's as straightforward as that. The issues that have been referred to in media reports recently are around an area of land that has not been rezoned. It's as straightforward as that.

The Hon. MICHAEL GALLACHER: Given he would get in two months what someone in western Sydney would be lucky to get in a year, you do not feel that there was any need for you to make any inquiries about a \$25,000 a month retainer?

Mr NATHAN REES: It has not been established that the fee was in fact reality. It was an assertion in a newspaper. It's as straightforward as that.

The Hon. MICHAEL GALLACHER: And you have not bothered to ask?

The Hon. EDDIE OBEID: It is a commercial arrangement.

The Hon. PENNY SHARPE: The question is above and beyond these estimates.

The Hon. EDDIE OBEID: It is a commercial arrangement between two parties.

The Hon. MICHAEL GALLACHER: Stop trying to hide the Premier.

The Hon. EDDIE OBEID: Ask what Howard gets paid.

The Hon. MICHAEL GALLACHER: Stop trying to hide him. He's entitled to answer the question.

The Hon. EDDIE OBEID: Ask what Howard gets paid.

The Hon. MICHAEL GALLACHER: I am asking you a question based on what I said to you earlier about the perception. This was an opportunity for you to discuss the perception. So what we will do about it, we will go about it in a slow way. Why don't you ask questions about a \$25,000 a month retainer?

The Hon. EDDIE OBEID: What has that got to do with the Government?

The Hon. PENNY SHARPE: It has got nothing to do with budget estimates.

The Hon. MICHAEL GALLACHER: But other times you become Sherlock when you feel like it.

The Hon. PENNY SHARPE: It is completely irrelevant to what is being asked here today.

The Hon. MICHAEL GALLACHER: I want to know why you did not ask questions about \$25,000 a month—

The Hon. EDDIE OBEID: Point of order, Mr Chair.

The Hon. MICHAEL GALLACHER: He is entitled to ask the question: why does somebody get paid \$25,000 a month—

CHAIR: Mr Gallagher, there is a point of order.

The Hon. EDDIE OBEID: Mr Chair, this is out of line with questioning on budget estimates. This is a commercial relationship between two parties which no-one in this Government has got anything to do with. If this line of questioning is to continue, we will object to it.

The Hon. MICHAEL GALLACHER: Mr Chairman, on the point of order, on which there is no time running: if Mr Obeid shows his political sensitivity on the issue of donations, and he feels that there is a problem, perhaps he should have himself replaced on the Committee.

The Hon. EDDIE OBEID: What has this got to do with donations, you dill?

The Hon. MICHAEL GALLACHER: These are legitimate questions about people who have a relationship with government.

The Hon. EDDIE OBEID: You have wasted twenty minutes of very valuable time that the Opposition had to ask questions. You have not asked one question on the budget.

The Hon. MICHAEL GALLACHER: The public need to be assured beyond doubt, Mr Chairman, that there are no questions about the conduct of government with regard to these matters.

CHAIR: Order! Your time has expired. An upper House inquiry has been set up to investigate these matters. I do not want this Committee to be turned into that inquiry.

The Hon. EDDIE OBEID: Mr Chairman, that is what has happened: twenty minutes of this line of questioning has not advanced questioning on the budget estimates one iota.

CHAIR: We will move to Ms Rhiannon's questions.

Ms LEE RHIANNON: Premier, have you ever had in your possession, or in the possession of any of your staff, a document that was intended to be a submission from the New South Wales Government to the Henry inquiry into taxation that was not the IPART review of State taxation?

Mr NATHAN REES: I certainly have not. That was news to me when it emerged today. I could not speak for my staff. I would have to take that part of your question on notice.

Ms LEE RHIANNON: Did you ever possess a draft—

Mr NATHAN REES: I did not.

Ms LEE RHIANNON: —of any such submission?

Mr NATHAN REES: Certainly not that I recall. The IPART review of taxation arrangements in New South Wales was our submission to the Henry review.

Ms LEE RHIANNON: Were you ever told of the existence of such a document?

Mr NATHAN REES: No.

Ms LEE RHIANNON: Thank you, Mr Premier. Mr Premier, since the new election laws came in last year, what training has been provided for your government MPs with regard to their responsibilities to report monetary and in-kind donations?

Mr NATHAN REES: I will have to take that on notice.

Ms LEE RHIANNON: Has the Election Funding Authority been given additional funding and additional staff to administer the new legislation?

Mr NATHAN REES: Bear with me for a moment. I have got the most recent budget papers here. Obviously, I will have to take a comparison with those.

Ms LEE RHIANNON: I must admit I am surprised at you taking the questions on notice, Premier, considering you have spoken in the media many times about the need to reform this area. In fact you were trumpeting that those laws demonstrate the advance you have made in this area. So, no information can be provided to this Committee at this point in time?

Mr NATHAN REES: There is some information here. I am not sure whether it will satisfy your question, but I am happy to run you through it. During the 2008-09 year the New South Wales Electoral Commission was focused on the delivery of the local government elections that year, the operational costs of those elections and the by-elections that were also held, but those elections were charged to local councils on a cost-recovery basis. The four State government by-elections were held during the 2008-09 year as well, and funding has been provided for two by-elections in 2009-10. Planning for the State general election has commenced. The electoral roll is currently supplied from the Australian Electoral Commission, and the estimated costs for 2009-10 is \$4 million, and a capital budget provision of \$6 million has been made this financial year to deliver election systems and infrastructure. The commission's net cost of services for the 2008-09 year was \$17.6 million. Twenty million dollars was to fund the local government elections, and that was fully recoverable through councils. Treasury did allow councils under financial stress to pay that back over two years. Of the total funding, \$2.2 million was paid to candidates and parties for election funding. The commission's budget for the 2008-09 was increased to \$19.8 million, acknowledging the work and commencement for the next State election.

Ms LEE RHIANNON: So the increase was for the next State election, not to handle the changes made in the legislation?

Mr NATHAN REES: That is what my notes say. I will have to take the body of your question on notice.

Ms LEE RHIANNON: Premier, on a number of occasions when commenting on electoral funding reform you have stated that such reform cannot be undertaken at a State level and has to occur at a Federal level. What interaction have you had with your Federal colleagues on this matter? What representations have you made to the Federal Government for reforming the funding laws?

Mr NATHAN REES: I have met with both the successive Ministers who have been responsible for this matter and relayed my views. As I have said publicly, my strong personal view is that elections in Australia should be publicly funded and that means ultimately a very severe curtailing of political donations. You will be aware that we commissioned Professor Anne Twomey to prepare a report on precisely this matter. She canvassed at length the difficult constitutional issues that arise if a State seeks to go it alone. There is an implied right to freedom of speech and freedom of association in the Constitution that, on the legal advice we have seen to date and which has been in the public domain and debated widely, a complete ban on individuals donating is constitutionally problematic.

A balance needs to be struck. Whilst I may have a preference for publicly funded election campaigns, there does need to be a capacity for non-mainstream political parties and, with respect, I call the Greens mainstream. The reasonable person in the street would think that there needs to be some scope for an individual in a community who wants to run on a particular issue to raise funds to enable them to conduct their candidacy. That is the balance that needs to be struck here. It is not a simple issue as some purport it to be. My views on this have been well aired. If there were a simple solution to this, it would have already been put in place. But I have canvassed widely on this. I have put our views to both the successive Commonwealth Ministers charged with the reform of the relevant legislation and federally.

Ms LEE RHIANNON: Premier, has the Government made a submission to the Federal examination of electoral funding initiated by Senator Faulkner? If not, why did you fail to do that?

Mr NATHAN REES: Yes, there was correspondence to the effect I have just outlined.

Ms LEE RHIANNON: But was it a submission?

Mr NATHAN REES: Yes, in the sense there was correspondence. I would have to get the body of the correspondence for you.

Ms LEE RHIANNON: My recollection was that there was no submission on the website?

Mr NATHAN REES: I cannot comment about the website.

Ms LEE RHIANNON: Well, the website is where the submissions are lodged?

Mr NATHAN REES: We wrote directly, and the Twomey report was the basis of that submission.

Ms LEE RHIANNON: You did not actually put in a submission; you have just given them the Twomey report?

Mr NATHAN REES: And I have met with them and outlined our position on this matter.

Ms LEE RHIANNON: Premier, you would be aware—

Mr NATHAN REES: My view is at variance with elements of the Twomey report.

Ms LEE RHIANNON: I appreciate that. Thank you for clarifying that. You would be aware that you raised great expectations with respect to reform of the New South Wales freedom of information [FOI] regime with your earlier comments on this issue and as you backed the New South Wales Ombudsman's inquiry highlighting problems with the old law. However, subsequently your decision to hand responsibility to the Attorney General has resulted in great disappointment. Why did you not continue to give FOI reform a red hot go, as you said at your first press conference? No matter how you present it, when you pushed FOI out the door and gave it to the Attorney General, it was downgrading the whole way it is managed?

Mr NATHAN REES: With respect, I do not agree. I championed these reforms. I believed at the time that the Act was broken and reform was overdue. It had not been reformed for something like 20 years. It certainly did not reflect the electronic age. I made sure these reforms occurred. I believe that the arrangements we now have in place under the Government Information (Public Access) Act are the most comprehensive of their type in Australia; they go much further than almost every other jurisdiction. Certainly that has been the advice to me. The fact that the carriage of it is with the Attorney General I think demonstrates the seriousness with which I take it. Mr Hatzistergos as Attorney General is one of the most experienced Ministers of

Government. He knows these issues well; he is a man of utter integrity and he is well placed to make sure that this Act is implemented appropriately.

Ms LEE RHIANNON: But he does not have the top job. You acknowledged all the problems and that there needed to be a change of culture. How do you drive that change of culture when the top person does not have the job? It does not send a message to the public sector that the old days are over. That is where you drop the ball.

Mr NATHAN REES: You are wrong. In advance of the Act a circular went out from me to all agency heads saying that there needed to be more proactive disclosure of government-held information. In fact, it is embedded in the Act as well that there should be a presumption towards release. It has been my custom and practice since coming into the ministry, whether it was as Minister for Water Utilities, Minister for Emergency Services or in this role, that if there is an FOI request, get it out the door. That is my approach. With respect to your assertion as to where the Act is most appropriately placed, I understand why someone would say that. But you could make that same charge around any particular Act for which the Government has responsibility, whether it is national parks or whatever it might be. Suffice to say that I pinned my colours to this mast very early in the piece. I have driven through those changes and I believe they are robust and are among the best in the nation.

Ms LEE RHIANNON: Again you are sticking up for Mr Hatzistergos that he does a good job, but you remember and it was widely recognised that he took the standard Bureau of Crime Statistics and Research report on the incarceration of juveniles, to Cabinet so it would not be released. The head of the bureau, Don Weatherburn, said that it was the first time in 20 years one of his reports had been suppressed for such reasons. That is why people do not have confidence in the Attorney General. Can you not acknowledge that—

Mr NATHAN REES: With respect, Lee—

Ms LEE RHIANNON: —you have pushed it out the door and the current Attorney General has a bad track record?

Mr NATHAN REES: I do not accept that. Mr Hatzistergos is a man of utter integrity. He is one of the most experienced Ministers in the Government.

The Hon. MICHAEL GALLACHER: That is not much of a claim, sorry, your blokes.

Mr NATHAN REES: Are you done?

The Hon. MICHAEL GALLACHER: I thought you were being funny, that was all. Sorry.

Ms LEE RHIANNON: Premier, will you take back control of the freedom of information regime —

Mr NATHAN REES: No I will not.

Ms LEE RHIANNON: —to finish the work you started?

Mr NATHAN REES: It is placed with the Attorney for good reason. Mr Hatzistergos is an extraordinarily capable Minister and the fact that I placed it with him indicates how seriously I take the matter. I drove it through. I was not about to put it anywhere other than a place that I was entirely confident would implement it well.

CHAIR: The Independent Commission Against Corruption has put in a submission for additional funding. Have you received that submission? Have you any response?

Mr NATHAN REES: The advice to me is that we have received it and we are providing funding.

CHAIR: You do not know the exact amount now?

Mr NATHAN REES: ICAC tabled a request for recurrent funding supplementation at the PJC hearing of 11 August seeking the support of the Committee on the Independent Commission Against Corruption. ICAC submitted a request for recurrent supplementation for my endorsement and approval by Treasury. It was to be

applied to the recruitment of front-line staff involved in investigating corruption. ICAC's expenditure budget for 2009-10 is \$18.751 million. The \$850,000 requested has been provided. While we are on the topic of ICAC, I have to say that I thought the Leader of the Opposition's commentary about the ICAC having wound down when it came to allegations of corruption and also the exhortations at some point—forgive the language but I am quoting—for them to "get off their backsides" is completely beyond the pale by the Leader of the Opposition. This is an institution that has served New South Wales very well for an extended period. The men and women who work in the ICAC do not deserve that sort of treatment.

It is a simple thing for a politician to traduce public servants who cannot defend themselves, but ultimately it is cowardly. This is an organisation that has stood the people of New South Wales in good stead for a long time. They are baseless remarks and they were a slight against the commitment and hard work of the people who have made ICAC a world leader in what they do.

CHAIR: You anticipated my next question. Because of Mr O'Farrell's criticism of ICAC, I direct your attention to Budget Paper No. 3, Volume 1, at page 2-19, where it states that you are endeavouring to achieve community and public sector employees having confidence that corruption matters are reported and properly investigated. You have confidence that that is happening, and you have indicated your total support for ICAC in carrying out its role?

Mr NATHAN REES: Absolutely. I might run through some of the data to indicate the effectiveness of the ICAC. In the most recent reporting period, the ICAC received 2,702 matters, which was a 26 per cent increase on the previous year. It conducted 11 public inquiries over 51 days, and that compares to four public inquiries over 24 days in the previous reporting period. It made findings against 51 people compared to 17 in previous years, so that was a tripling. It also referred 23 people to the Director of Public Prosecutions for consideration of prosecution proceedings, which was an increase of some 44 per cent. It delivered 57 corruption prevention training sessions, which is up by 46 per cent from the previous year. It responded to 236 corruption prevention advice requests, published six corruption prevention and research publications, and included 57 corruption prevention recommendations in seven corruption investigation reports.

In 2005 we introduced legislation to establish the Office of the Inspector of the Independent Commission Against Corruption. The Office of the Inspector was created to close a gap in the accountability framework that applied to the ICAC at the time, ensuring that complaints—that the ICAC or its officers have misused their powers—are investigated. The ICAC cooperates fully with its oversight bodies, and that includes the Inspector, the Parliamentary Committee on the Independent Commission Against Corruption and the New South Wales Ombudsman. The Inspector of the Independent Commission Against Corruption has made no findings of misconduct or maladministration by the ICAC or its officers. Indeed, all the audits undertaken by external oversight agencies in the most recent period found that ICAC complied fully with its legislative obligations.

We respect the contribution the ICAC makes to integrity in public life and administration in New South Wales. That is to say nothing of the commissioner, the Hon. Jerrold Cripps, QC, whose integrity is beyond reproach. He has served the people of this State with distinction for many years. I think that probably covers that.

CHAIR: Thank you, Premier. I wish to follow up your response to questions about donations. There seems to be some confusion relating to the report by Professor Twomey on the issue of donations. As you know, the upper House committee, which I chaired, did not recommend a total ban on donations but indicated there should be a cut-off figure of \$1,000 per individual. Had the Government adopted that recommendation, I do not believe it would have been challenged in the High Court because it was permitting a level of donations, but with a cut-off figure. Do you agree that means the issue should still be open for consideration?

Mr NATHAN REES: I am open to any suggestions on this matter. I think it is a debate that the community broadly has to have. That inquiry or committee set that figure at a thousand dollars but, with respect, that is an arbitrary figure. It could just as easily have been \$100 or just as easily \$10,000, as you would appreciate. Wherever the Federal Government ends up in its reforms, it will have to strike the balance between acknowledging on the one hand that there is a constitutionally implied freedom to donate, and on the other deal with the issues that have been well canvassed already. That is a difficult question. Ultimately it does require a uniform approach across the jurisdictions. I note that when the Select Committee on Electoral and Political Party Funding called for submissions in February last year, the Opposition said:

We believe that the supply-side of the political donations equation can only be successfully reformed at a federal level. We believe this is a matter which should be part of Prime Minister Rudd's reform agenda ...

The Opposition actually agrees with us that there needs to be a national approach to this for all the obvious reasons. We are better to take our time to get this right and in the meantime have a proper debate publicly about it than to rush it, get it wrong, end up in the High Court and then have to rejig it later.

CHAIR: Premier, the other aspect is that other countries have adopted a similar policy about having a restricted amount. I think Canada was one, and there was no High Court challenge there. You are open to further consideration, but you do not believe that New South Wales should go it alone, as it has in the past on many important social issues?

Mr NATHAN REES: My starting point is that elections should be publicly funded. If, ultimately in order to satisfy the implied or direct provisions of the Constitution, there needs to be some allowance for modest donations by individuals, then that may well be where we end up. But to my mind that has to meet the reasonable person test, and no one else's.

CHAIR: Another issue that is very much in the news today is the whole question of government policy on convicted paedophiles who are now on the sex offenders register, as to where they can be located or accommodated. Have you given any consideration to a solution to that problem?

Mr NATHAN REES: I have sought advice on how we deal with this issue. Firstly, there is always going to be an issue around where former prisoners who have been convicted of such heinous crimes are going to be placed in the community ultimately. Minister Borger has initiated an investigation into how Mr Ferguson was housed. On the face of it, if media reports are right, it appears that he was housed inappropriately. I am told that Housing New South Wales has a legal obligation to accommodate people who need it, but my main concern is to have Mr Ferguson moved from the inappropriate location as soon as possible.

CHAIR: Do you have any suggestions on what would be an appropriate location?

Mr NATHAN REES: Somewhere as far away from a school as we can get him.

CHAIR: Is any consideration being given, not just for him as an individual but as a policy, to using a low security prison farm location for such persons, for example?

Mr NATHAN REES: I understand and appreciate the sentiment that lies behind that question. We have already reformed some areas of this. This year the Sentencing Council handed down a further report on community protection and the detention of child sex offenders. We have already announced that we are moving ahead on some of those recommendations, including giving victims a voice in applications to keep serious sex offenders locked up or under supervision and by providing for the court to take into account a statement from the victim when considering that. I am advised that the location is near two schools. That is not appropriate. It should never have happened, in my view—if it is as reported. The Minister is investigating that as a matter of priority, but on the face of it, it should never have happened.

The Hon. KAYEE GRIFFIN: Premier, I refer to Budget Paper No. 3, Volume 1, at page 6-10. Could you provide an update to the Committee on the New South Wales Government's response to the Senate's report, "Forgotten Australians"?

Mr NATHAN REES: This year's budget delivers a record Community Services budget, including the first phase of our \$750 million increase as a result of the Wood inquiry. It is a record \$1.6 billion budget for Community Services. It includes \$320 million for prevention and early intervention, \$197 million for community support, \$628 million for out-of-home care, and \$422 million to protect children at risk. As the Treasurer said in his Budget Speech, this is child protection on a grand scale "rebuilding young lives shattered by abuse and neglect". It was not always that way. Today's definition of being in care certainly did not have the same meaning decades ago.

The Office of the Children's Guardian has statutory powers in the accreditation of out-of-home-care. The Commissioner for Children and Young People conducts thorough working-with-children checks, Community Services oversights cases, and the Ombudsman conducts further reviews. Much of that did not occur decades ago. By contrast, in fact the unregulated care system of the past saw many children mistreated

through no fault of their own—many of those children deprived of love and affection. In some cases brothers and sisters were separated, and contact with family members was restricted or, indeed, denied.

Other children were pressed into harsh domestic service. Worst of all, some children suffered emotional, physical or, at worst, sexual abuse. With your leave, I wish to read an excerpt of the Senate report testimony of a forgotten Australian who, at 14 years of age, entered the Parramatta Training School for Girls. I quote:

I was brought down in a train from Lismore with a handcuff around my ankle. When I got to Parramatta I was told that they would break my spirit. Staff punched me in the face several times, my nose bled, I was made to scrub large areas of cement with a toothbrush, even in the middle of winter with nothing under my knees, and my knees used to bleed and sometimes I would pass out with exhaustion.

It is difficult for contemporary Australians to believe that those sorts of things happened. The failure to protect children in care is a profound blot on the civil conscience of New South Wales of the past, and it is time that those victims of the past received an apology. I know all members will support me when as Premier I apologise on behalf of the Government this Saturday, when Minister Burney and I will gather with more than 450 care leavers in the botanic gardens for a healing service and memorial unveiling which acknowledges the hardships they endured. Representatives from past providers of institutional care will also speak at the service. Saturday will give us a chance to acknowledge the abuse and neglect suffered by a group of children, who are now adults, who endured harsh lives in orphanages, children's homes and foster homes and who have come to be known as the forgotten Australians.

The fact that they have resorted to using such a term tells a story. These Australians have been abused twice: once in care, and a second time because their hardships have not been acknowledged by governments and institutions. The Government has been working on this apology with representative groups for many months. Organisations such as the Alliance for Forgotten Australians and the Care Leavers Australia Network, together with a group of non-government past providers of institutional care, have worked alongside the Government to plan the service. The service on Saturday is a chance for victims to have their suffering officially acknowledged and to receive a formal apology that is much needed and long overdue. I look forward to the service on Saturday. It will be an occasion on which to put right a wrong of the past and it will heal wounds that have been left open for far too long.

The Hon. EDDIE OBEID: I refer to Budget Paper No. 3, page 2-12. What is the New South Wales Government doing to increase opportunities for apprentices?

Mr NATHAN REES: On 17 February this year I announced a new program committing the Government to 6,000 new apprenticeship and cadet positions across New South Wales over the next four years. Those positions are fully funded in the 2009-10 budget and the forward estimates period. I am happy to say that the program is up and running and going well. As of last Monday, 1,092 new apprentices had been employed by the New South Wales public sector. These apprentices are developing valuable skills and ensuring a supply of skilled people into the economy. To support and promote the growth in the employment of apprentices, the Government's training management guidelines have been revised and re-issued. Agencies are ensuring that one apprentice is being employed for every four tradespeople on all government construction projects, as required by the guidelines. The advice to me is that that is the highest ratio of apprentices to tradespeople of any jurisdiction in Australia.

I can also confirm that we have sponsored 100 places in a pre-apprenticeship program during the middle part of this year. Ten full-time courses were held in locations where there is demand in trade shortage areas such as building and construction, engineering, electrical and automotive work, and that has occurred at Newcastle, Wollongong, Bathurst and Coffs Harbour, as examples. Those pre-apprenticeship courses are an excellent stepping stone for people who want to get a trade and an apprenticeship. Early indications are that the program has been a success; some 31 students have been employed as apprentices on conclusion of their course, and others have been invited to submit applications.

Another key element of the training strategy is public sector cadetships. There are 2,000 of those over four years. Jump Start New South Wales, which is the name of that program, is designed to help young people take up careers in the public sector. Successful applicants will have a cadetship in a public sector agency for 12 months, followed by a permanent position on successful completion of the program, as we build a generation of leaders for the public sector of the future. We received 1,000 applications for the 70 places offered across the State in the pilot phase, and those 70 young people have started their cadetships. Those with a higher school

certificate [HSC] qualification who are under 21 at the time of application are eligible to apply, and there are four types of cadetships in the pilot phase: office administration and customer service, assistants in nursing, information technology [IT] support, and farm assistants. They will open up a range of new job opportunities for young people who have left school recently.

We are also working closely with the Commonwealth to ensure that those who, regrettably, lose their job as a consequence of the global economic downturn also get a hand up. I add that there would be many more unemployed people if the Coalition had had its way and the stimulus packages that are doing so much to protect families had been rejected. I will speak for a moment about the Government's plan to help retrenched apprentices and trainees find jobs during the downturn. We have a scheme called the Continuing Apprentices Placement Services scheme, otherwise known as CAPS. This not only helps victims of retrenchment, as employers also benefit from taking on people who already have valuable skills. That scheme is showing signs of great success. We have had 678 people register for assistance and 172 of them have been placed in jobs.

Obviously we would like to do more, and I encourage more employers to get on board with that scheme. If I can put a human face on this program for a moment, a 30-year-old gentleman, Nathan Heron, commenced his apprenticeship as an electrician at the age of 30. He had already had experience in small business and hospitality but decided that his true passion was electronics. He began an apprenticeship with a Sydney firm but when the economy slowed he was retrenched through no fault of his own. He came across the scheme on our website, where he registered, and an Australian firm called Schaffler, which designs electrical equipment for the global rail industry, had also registered on the website.

Nathan Heron was matched to the company as a second-year apprentice, and he came into the company as a mature employee, already identified as having a strong work ethic, just the sort of person that any firm would like to have on its books. So it was a great outcome for him and a great outcome for Schaffler that would have been much harder to achieve without this scheme. Another advantage of the scheme is that apprentices from regional areas who need to relocate in order to go into an apprenticeship or continue their apprenticeship with another employer are eligible for \$2,500 in relocation fee assistance. A gentleman who has received that is a fellow called Matt Lee. Last year Matt got his chance to work in the aircraft industry when he was offered an aircraft maintenance engineering apprenticeship with a small firm in Kempsey.

Matt had taken a substantial pay cut to secure the apprenticeship but after securing the apprenticeship the global downturn hit and he lost the apprenticeship. He canvassed the aircraft maintenance companies throughout northern New South Wales but did not have any luck. But as he put it, "There's no point in waiting for jobs to come to you. You've got to put yourself out there. Employers respond to that." That is precisely what he did after signing up with this scheme, and he was offered a job by Qantas. It is a big decision to move the family to another city, but he is an example of someone who relocated his family to Sydney for the new job with Qantas; he used the \$2,500 allowance that we established to make that relocation a reality.

Those sorts of policies will help us to help people through the global recession. It is fair to say that Australian jurisdictions have learnt from recessions of the past. We know that it is essential to get training programs in place. We know that the longer someone is unemployed, the harder it is for them to get back into the workforce. These sorts of programs are critical in ensuring that people do not slip through the cracks. The broader benefits are obvious. We have just been through an economic boom; the resource-rich States have done particularly well out of that. But in doing so much of our skilled labour went to Western Australia or Queensland as the mining boom took hold. Our economic capacity was constrained in some areas through a lack of skilled labour and I do not ever want to see that happen again. So there will be 4,000 new apprenticeships over a period of four years in the largest apprenticeship program of its type in Australia.

The Hon. PENNY SHARPE: I refer to Budget Paper No. 3, page 19-66. Can you update the Committee on how this year's budget is supporting the implementation of the job summit?

Mr NATHAN REES: The State's budget includes the largest infrastructure program ever seen in this State, and probably in the nation. At \$62.9 billion, it is effectively an employment machine, creating and sustaining 160,000 jobs each year for the next four years. Every job we save and every job we help create is a victory in the face of global recession because it means that there is a mortgage paid or a rental payment made, families are secure and a fellow citizen rescued from the misery of unemployment.

In February we held a Job Summit that brought together some 300 key business and community leaders and experts to recommend ideas to support jobs in New South Wales. An expert panel was established: Steve

Harker, chief executive officer of Morgan Stanley in Australia; David Godski, the Chairman of Investech Bank Australia and Chancellor of the University of New South Wales; Roger Corbett, former chief executive officer of Woolworths, and Director of the Reserve Bank, Director of Fairfax Media and Director of Walmart Stores and Deputy Chair of PrimeAg Pty Ltd; and Tony Shepherd, Chairman of Transfield Services. They are continuing to play a role in the implementation of our response as independent advisers. But they are part of a partnership that we have established with the private sector and the business community generally as the Government's ongoing response to the global recession continues to roll out.

As a result of the summit the Government is implementing 94 different ideas and projects, many of which were embedded in the State budget. They include up to \$200 million in interest-free loans to New South Wales councils to fast-track local infrastructure projects; \$35 million to the Community Building Partnership Program to assist local infrastructure projects across the State; and \$6 million over two years to retrain workers who have lost their jobs to assist them to return to work. We have also started tearing up the red tape that had been holding up approvals by earmarking key high-level public sector executives to make projects happen. Back in April we appointed a number of industry go-to people. Those industry contacts are now helping the private sector facilitate 54 potential projects worth more than \$3 billion—projects that will support of the order of 21,000 jobs.

I advise that since February we have already attracted 184 private sector projects worth more than \$820 million. Those projects stand to create more than 3,300 jobs. They include: the Silverton wind farm, a \$2 billion investment and 700 construction jobs there; 120 operational jobs and the new Ikea headquarters at Tempe—a \$120 million investment; 550 jobs in construction; and 600 operational jobs. The \$70 million Major Investment Attraction Scheme is being used to attract additional large projects that would otherwise not come to New South Wales. That scheme provides financial assistance packages with a total value of at least \$2 million per project for periods, typically, of three to five years. Examples of the projects that have been assisted include Forgacs' bid for the air warfare destroyer construction in Newcastle that delivered some 200 jobs in Newcastle. Those are some of the results that we are getting statewide arising out of the Job Summit measures to which we committed in the budget.

We are acutely aware that regions differ in their economic profile and that we need different responses when it comes to supporting employment, depending on the region. On that basis we have held two additional summits, one in the Illawarra and the other in Newcastle. More than 60 businesses and community leaders attended in the Illawarra, and some 90 in the Hunter. In the Hunter we committed \$2.5 million to help refurbish the channel berth on Newcastle Harbour and to promote the Hunter as a cruise ship hub, estimated to inject some \$50 million into the local economy over the next five years. We have also allocated \$4 million of Crown land at Honeysuckle to the University of Newcastle to allow it to move forward with a stage one relocation of the business law and arts faculties of the university to the central business district.

In the Illawarra we are investing \$10 million towards establishing the smart infrastructure facility at the University of Wollongong. We are supporting entrepreneurship by expanding the successful economic gardening program currently run by Shellharbour City Council to the broader region. Both the Illawarra and the Hunter Advantage funds, created to help attract new industries and sustainable jobs to the Illawarra and Hunter regions, have been boosted by some \$3 million. The focus of those additional funds in the Hunter is on the expansion of emerging industries, such as clean energy, to assist the ongoing transformation of these regions. These funds are having a real impact.

We are also providing payroll tax to help the expansion of Banlaw at Lake Macquarie as part of that fund—it is one of the world's leading experts in refuelling technology—and it will invest \$1.6 million to expand and to employ an additional 36 employees over the next two years. The company's growth opportunities are directly related to global carbon emissions reduction initiatives and a need by industry to conserve and monitor hydrocarbon energy use. Other initiatives to promote employment and investment in regional New South Wales include rapid regional response teams to help communities impacted by major company closures in regional locations. They have been used with closures such as Drivetrain Systems International [DSI] in Albury, Rockdale Beef in Leeton, and Visiocorp in Taree.

Our Building the Country package is an \$85 million five-year program to assist country businesses and communities. That includes funding for local infrastructure, community broadband development, water adjustment and support for local chambers of commerce, country halls, libraries and so on. Our Green Jobs Action Plan is already underway in the Hunter and the Illawarra as we work with universities, local industries and technology experts to transform those regions so that they are best placed to attract jobs in the future.

The Job Summit has been a resounding success. We have created jobs by working more closely with industry and there have been targeted stimulus and assistance measures. In the face of the global recession we believe there is a place for governments to intervene in a market that would otherwise leave people unemployed and, in the worst case, unable to pay mortgages or rents and buy food for their families. We make no apology for the fact that we have been interventionists and activists, and we believe that those efforts have been paying dividends. Last week Australian Bureau of Statistics figures showed that the unemployment rate in New South Wales is stable again at 6.1 per cent, while it has increased in other States, in some cases significantly. A combination of 4,000 apprenticeships, 2,000 cadetships, the largest infrastructure spend in this State's history, our stimulus measures to get the housing and construction sector going, and freeing up the planning system to allow those large-scale projects and investment to occur, have contributed to us being well positioned in the world in the face of the global recession.

The Hon. TREVOR KHAN: Premier, Ms Lee Rhiannon asked you questions regarding freedom of information and about your approach to freedom of information legislation and the like. Is that right?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Do I take it that you support both the ethos and, more importantly, the application of that legislation throughout your Government?

Mr NATHAN REES: I believe I have said as much publicly and in my second reading speech relating to the relevant bill.

The Hon. TREVOR KHAN: Do I take it that the application of freedom of information legislation is important not only for compliance with the production of documents but also for the timeframes that exist for their production under a freedom of information application?

Mr NATHAN REES: Sorry, would you repeat your question?

The Hon. TREVOR KHAN: Is it correct that you are not cherry picking? You want to see the documents and you want to see them fast?

Mr NATHAN REES: As a general rule. However, months before the bill was introduced in Parliament I put out a circular or a memorandum that stated there should be a presumption in relation to the release of documents for public information. I do not think anyone would argue with that.

The Hon. TREVOR KHAN: That direction is given not only to Ministers throughout your Government and to directors general and the like; that direction applies also within your own department. Is that the position?

Mr NATHAN REES: In general. If you have a specific example of that not having been complied with let us hear it.

The Hon. TREVOR KHAN: Mr Lee may be alive to this. Let us suppose that a freedom of information request was submitted on 7 May seeking documents relating to your visit with the Prime Minister on 29 January 2009. Let us suppose that in response to that application only one document was produced and none of the supporting documentation. Mr Lee might be able to tell you. Do you agree that that is precisely what occurred—only one document was produced pursuant to freedom of information?

The Hon. EDDIE OBEID: What is the question?

The Hon. TREVOR KHAN: I commenced my question with the words, "Do you agree". Stop protecting him, Eddie.

The Hon. EDDIE OBEID: I am not protecting anyone. Ask a proper question and be specific.

Mr NATHAN REES: I was made aware of this issue yesterday. I will ask the director general to address that question in the first instance. However, once he has completed his answer I would like to provide an additional comment.

Mr LEE: I think at the time I had some telephone conversations with you—

The Hon. TREVOR KHAN: You certainly did.

Mr LEE: —about the internal review that I conducted regarding a freedom of information application that you made in May. An error was made by one of our staff not canvassing all the files regarding the meeting that occurred in Canberra. After I was made aware that there were a number of other documents, at the first opportunity I was quickly in touch with your office to advise you that those documents had been sighted, that they had been copied and that they would be provided to you in a most timely manner. At the time it was an error by the department.

The Hon. TREVOR KHAN: Premier, are you aware that at the time Mr Lee gave that undertaking he indicated that further documents would be the subject of review, that those further documents would be given consideration and, if appropriate, they would be provided within a few days? That advice was on or about 28 July 2009. Do you want to check on that?

Mr LEE: I am happy to respond.

Mr NATHAN REES: I have not had a discussion with the director general on the detail.

The Hon. TREVOR KHAN: I am inviting you to do so now, Premier.

The Hon. PENNY SHARPE: Ministers do not determine them.

Mr NATHAN REES: I think the director general has made it clear. It appears that there was an error, which is regrettable. Each year departments receive thousands of freedom of information requests and occasionally things do not go as you would hope. Yesterday this matter was raised with me in briefings. It is regrettable. If you are after an apology you have it.

The Hon. TREVOR KHAN: Premier, are you aware that there has still not been a finalisation of the request?

Mr NATHAN REES: I was not aware of it until you raised it.

The Hon. TREVOR KHAN: In light of your earlier comments with regard to ensuring compliance, would you agree that this is at least one example where your actions do not meet your words?

Mr NATHAN REES: Mr Khan, I make the obvious point for the record that I am not the determining officer on this matter.

The Hon. PENNY SHARPE: That is right; and you know that.

The Hon. TREVOR KHAN: Premier, would you agree that, despite your words, it is not happening?

Mr NATHAN REES: You can address that question to the director general. I again make the point that I am not the determining officer; that responsibility lies with the appropriate officer.

The Hon. TREVOR KHAN: I take it that you accept responsibility for the operation of your Government?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Including its compliance with freedom of information legislation.

Mr NATHAN REES: Yes. Go on.

The Hon. TREVOR KHAN: You do, do you not?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Do you accept that, by pure coincidence, this is an example of a complete corker?

Mr NATHAN REES: What is your point?

The Hon. PENNY SHARPE: What is the question?

Mr NATHAN REES: I have offered you an apology for what appears to have been an oversight in the department. I am not the determining officer so it is not appropriate for me to make those determinations. I have driven through legislative change in this area that has put New South Wales, more than any other jurisdiction in Australia, at the vanguard of disclosure and openness.

The Hon. EDDIE OBEID: A hell of a lot of preparation.

The Hon. TREVOR KHAN: Stop protecting him. It is all right, Eddie.

The Hon. EDDIE OBEID: Do you have only one question?

Mr NATHAN REES: I take your comments in the spirit in which I think they are intended. If you want to point to areas of administration in my department that need to be improved, I will take them on board. If you want to beat up on a senior public servant—or a junior public servant for that matter—I do not think that is appropriate. I would much rather that we learned from the experience, fixed the issue and moved on. If you want to make hay you should go for your life.

The Hon. TREVOR KHAN: Let us move on to the ministerial code of conduct of which you are very much aware. Is that right?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: I take it that you are not only aware of it; you ensure that Ministers in your Cabinet are aware of it?

Mr NATHAN REES: They are expected to be aware of it, yes.

The Hon. TREVOR KHAN: I take it that in your responsibility as Premier from time to time you read the document?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: I take it that you ensure it is up to date and current?

Mr NATHAN REES: I make an assumption that it is.

The Hon. TREVOR KHAN: You read it. That important document is one of the touchstones of ensuring honesty and integrity within your Government.

The Hon. EDDIE OBEID: Ask the question; stop being a lawyer. Be a politician.

The Hon. PENNY SHARPE: Ask a specific question.

The Hon. MICHAEL GALLACHER: You are just trying to distract him, Eddie. He is asking serious questions. Stop interjecting. We will come back to Richo shortly. Relax. We have more for Richo.

The Hon. TREVOR KHAN: You ensure that it is up to date, do you not, Premier?

Mr NATHAN REES: It should be up to date.

The Hon. TREVOR KHAN: You have read it from time to time, have you not?

The Hon. EDDIE OBEID: That is all he does; he has nothing else to do.

The Hon. MICHAEL GALLACHER: It is an each-way bet.

Mr NATHAN REES: Cut to the chase.

The Hon. TREVOR KHAN: Have you read it?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Have you read it frequently?

Mr NATHAN REES: I have read it on a number of occasions.

The Hon. TREVOR KHAN: I refer you to paragraph 3.3 of the code of conduct.

Mr NATHAN REES: Do you have a copy of it?

The Hon. TREVOR KHAN: Yes. Would you like to read out paragraph 3.3?

Mr NATHAN REES: It states:

Where in the exercise of office an actual or apparent conflict of interest arises or is likely to arise in a matter, a Minister shall disclose the nature of that conflict to the Premier. A record of that disclosure shall be placed upon a schedule to the register of interests and a copy of the schedule will be kept in the office of the Auditor-General. The Minister shall abstain from further acting in that matter unless and until the relevant interest has been divested or the Premier in writing directs the Minister to continue to act.

The Hon. TREVOR KHAN: Self-evidently, that is an important component of the ministerial code of conduct. Would you agree?

Mr NATHAN REES: Agreed.

The Hon. TREVOR KHAN: You would ensure that that condition was complied with, would you not?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Have you ensured that it has been complied with?

Mr NATHAN REES: I believe so.

The Hon. TREVOR KHAN: Where is the schedule of those conflicts of interest to be maintained?

Mr NATHAN REES: In the office of the Auditor-General.

The Hon. TREVOR KHAN: I take it that it is?

Mr NATHAN REES: I would have to take that question on notice. To the best of my knowledge—

The Hon. TREVOR KHAN: Premier, it is your Government and your Cabinet.

Mr NATHAN REES: To the best of my knowledge, yes.

The Hon. TREVOR KHAN: Would you accept that on 3 July 2008 the Office of the Auditor-General wrote to Andrew Stoner, member of Parliament, advising him that it does not keep the schedule; it is kept within your own department?

Mr NATHAN REES: I am not familiar with that bit of correspondence. Obviously it went to Mr Stoner.

The Hon. TREVOR KHAN: Would you now like to express a—

The Hon. PENNY SHARPE: The Premier indicated that he would take that question on notice.

Mr NATHAN REES: I will take that question on notice. If in the interim that situation has remained and it is an issue we will fix it.

The Hon. TREVOR KHAN: Premier, would you accept that one of the cornerstones of your Government is the ministerial code of conduct and you do not even know how it operates?

Mr NATHAN REES: If this were the cornerstone that you assert it to be—in the main I have no issue with that—and you were fair dinkum about what was contained in a letter dated 3 July 2008, why did you not raise that matter with the Government immediately? If it was such a touchstone issue and an issue of such concern to you why did you wait until now to raise it?

The Hon. TREVOR KHAN: Premier, you are in government, are you not?

Mr NATHAN REES: Yes, but that letter is dated 3 July 2008.

The Hon. TREVOR KHAN: It is your responsibility to ensure not only that your code of conduct is complied with but also that its administrative components are dealt with.

The Hon. PENNY SHARPE: The Premier has taken that question on notice.

Mr NATHAN REES: You are making an assertion. From where I sit at present I have no capacity to determine the credibility of that assertion. I have to take that question on notice.

The Hon. TREVOR KHAN: Yes.

The Hon. EDDIE OBEID: That was a very failed attempt.

The Hon. MICHAEL GALLACHER: Premier, do you see yourself as a leader or a follower on the issue of political donation reform? How do you view yourself?

Mr NATHAN REES: I have probably been the most strident of any jurisdictional leader on the need for public funding of election campaigns. In that sense I believe I am.

The Hon. MICHAEL GALLACHER: How do you see yourself as the most strident when Anna Bligh, Premier of Queensland, goes much further by initiating reforms at a State level? She has taken the bit between the teeth.

Mr NATHAN REES: That is what you assert. In recent years we have made substantial donation reform.

The Hon. MICHAEL GALLACHER: In recent years but not recently.

Mr NATHAN REES: A Federal process is in place. It is appropriate that we see that through.

The Hon. MICHAEL GALLACHER: I remind you that back in 2006 there was a debate in New South Wales about occupational health and safety and your Government indicated that it would adopt Victorian occupational health and safety laws. Do you remember that?

Mr NATHAN REES: I did not catch the second part of your question.

The Hon. MICHAEL GALLACHER: In 2006 the Government announced that it would initiate occupational health and safety reforms consistent with the Victorian model. It then changed its mind and said that it would wait for national reforms in the area of occupational health and safety. Do you remember that?

Mr NATHAN REES: Yes.

The Hon. MICHAEL GALLACHER: That was three years ago. We still have no light at the end of that tunnel. You refer to yourself as a leader with regard to political donations but you are not really a leader. Anna Bligh is leading the way because she decided to initiate reforms in Queensland and not drag her feet waiting for the national approach. Is that not correct?

Mr NATHAN REES: It depends on the different elements of donation reform that you are talking about. In recent years we have already had significant donation reform. If you like I will keep repeating that. A Federal review is underway.

The Hon. MICHAEL GALLACHER: That is on the never-never.

Mr NATHAN REES: No, it is not on the never-never.

The Hon. MICHAEL GALLACHER: You have no control over that.

Mr NATHAN REES: In answer to your question I will walk you through some of the reforms in which we have engaged: disclosure of political donations every six months—

The Hon. MICHAEL GALLACHER: What year was that?

Mr NATHAN REES: In 2008. Other reforms include: a mandatory disclosure threshold of \$1,000 for political parties, a ban on in-kind donations to political parties, and a ban on donations from foreign companies.

The Hon. MICHAEL GALLACHER: When was that in 2008?

Mr NATHAN REES: I would have to take that question on notice. As I have said previously, I am committed to further reform in this area. My preference is for public funding of election campaigns. It has been well canvassed that these are complex issues. I note that while you are seeking to make an issue out of this you are still charging people \$4,000 a head to talk to shadow Ministers. You refuse to comply with the lobbyists register as it should apply to the Opposition.

The Hon. MICHAEL GALLACHER: That is fine. I am happy to take that. I have more questions to ask that might be of assistance to you. You made reference to my former occupation in answer to an earlier question. I make reference to your previous occupation as a garbo. Is it fair to say that your handshake is your word?

Mr NATHAN REES: In general, yes.

The Hon. MICHAEL GALLACHER: Do you remember shaking Barry O'Farrell's hand on 9 October 2008?

Mr NATHAN REES: I certainly do.

The Hon. MICHAEL GALLACHER: Do you remember saying that you would work with him in a bipartisan way to clean this up?

Mr NATHAN REES: He has been all over the shop on this.

The Hon. MICHAEL GALLACHER: No, you shook his hand on stage and said, "I will join with you in a bipartisan way to clean this up and restore confidence in the Parliament and the Government." Do you remember saying that on stage?

Mr NATHAN REES: We took the lead on this issue with disclosure of political donations every six months, a \$1,000 threshold for political parties and a ban on in-kind donations, and a ban on donations from foreign companies.

The Hon. MICHAEL GALLACHER: That is as good as it gets, is it? That is it.

Mr NATHAN REES: Will you let me answer the questions? A Federal review of this matter is underway.

The Hon. MICHAEL GALLACHER: Occupational health and safety started in 2006.

Mr NATHAN REES: I will come to that shortly, if you like. That is an area in which Coalition and conservative governments ought to hang their head in shame.

The Hon. MICHAEL GALLACHER: Your Government has been in power for a long time. Do not try to grab little issues over there.

The Hon. EDDIE OBEID: Point of order—

[Interruption]

CHAIR: Order! Let the Premier answer the question.

Mr NATHAN REES: We have the most robust occupational health and safety legislation of any State in Australia.

The Hon. EDDIE OBEID: Point of order: The member can ask a question but continuing a dialogue while the Premier is trying to answer is not the way in which this inquiry should be conducted.

CHAIR: I said, "Let the Premier answer the question."

The Hon. MICHAEL GALLACHER: I heard you, Mr Chairman.

Mr NATHAN REES: Mr O'Farrell cannot have it both ways. He cannot ask for a bipartisan approach in New South Wales when at the same time he says it needs to be part of Mr Rudd's Federal agenda and it has to be done federally. It simply cannot happen both ways. That is the reality.

The Hon. MICHAEL GALLACHER: You shook his hand on stage and said, "Let's do it." Now you have kicked it off to the Federal level. You have no idea when that is going to finish. That is out of your control at the Federal level, is it not?

The Hon. EDDIE OBEID: Since when can you shake hands with Barry?

The Hon. MICHAEL GALLACHER: I am not going to shake hands with you, Eddie.

The Hon. EDDIE OBEID: He shook hands on electricity, too.

The Hon. MICHAEL GALLACHER: Premier, will you show some leadership and restore the faith in that handshake and say, "Yes, I will work in a bipartisan way to do this"?

Mr NATHAN REES: Your submission to the parliamentary Select Committee on Electoral and Political Party Funding stated, "... can only be successfully reformed at a Federal level."

The Hon. MICHAEL GALLACHER: Someone has to lead.

Mr NATHAN REES: News flash! I am the Leader of New South Wales, not of the Commonwealth. Your own submission states that it can only be successfully reformed at a Federal level.

The Hon. MICHAEL GALLACHER: You are going to sleep on it. You are playing for time. That is all you are doing. You are kicking it off for time. You know that. You gave that commitment on stage—

CHAIR: Rephrase the question, thank you.

The Hon. MICHAEL GALLACHER: Premier, will you reinstate dialogue with the Leader of the Opposition—

Mr NATHAN REES: This is interesting.

The Hon. MICHAEL GALLACHER: Point of order: I am asking a question. Mr Chairman, you told me to redirect my question to the Premier and I am doing that. This is not answer time, this is question and answer time. Premier, consistent with the handshake agreement that you gave him will you reinitiate—

Mr NATHAN REES: My position on this is crystal clear.

The Hon. MICHAEL GALLACHER: Mr Chairman, I know that the Premier does not want to hear these questions. He wants to get in early and try to answer it in the way he thinks he would like to answer it.

CHAIR: Just state the question briefly.

The Hon. MICHAEL GALLACHER: Will you reinitiate dialogue with the Leader of the Opposition consistent with your handshake in Balmain in October 2008 to let New South Wales lead the national agenda?

Mr NATHAN REES: I will continue to work with the Commonwealth, which has authority in this area, unlike Mr O'Farrell. Mr O'Farrell has no authority in this area and he does not have a cogent position on it. He is inconsistent.

The Hon. MICHAEL GALLACHER: You shook his hand and said, "Let's do it."

Mr NATHAN REES: He is inconsistent.

The Hon. MICHAEL GALLACHER: You are not inconsistent, though. You are continually walking away from him.

Mr NATHAN REES: How many millions of dollars of donations has the Liberal Party received in the past 12 months?

The Hon. MICHAEL GALLACHER: If you want to answer it, do so. We will keep going. If you want to talk about donations, that is fine. I am trying to get information for the public to restore confidence in the Government.

Mr NATHAN REES: For the record, your Federal counterparts voted down measures to lower the threshold for disclosure.

The Hon. MICHAEL GALLACHER: Premier, you indicated that your handshake is worthless. I have asked whether you will reinitiate discussion and you will not answer yes or no.

Mr NATHAN REES: His word is not worth the time.

The Hon. MICHAEL GALLACHER: I am sorry to hear you say that you will not even reinitiate discussions with him.

Mr NATHAN REES: Just out of interest, what was the nexus with the previous employment?

The Hon. MICHAEL GALLACHER: You made reference to my earlier employment as a police officer and I thought that was interesting, so I thought I would make reference to a person who was a garbo having a handshake that was his word.

Mr NATHAN REES: Another tremendous value-add.

The Hon. MICHAEL GALLACHER: Sometimes the truth hurts, Premier. In relation to Graham Richardson, if we can return to Graham for a little while, when did you last have a discussion with Mr Richardson?

Mr NATHAN REES: I have never had a discussion with Mr Richardson.

The Hon. MICHAEL GALLACHER: Ever?

Mr NATHAN REES: Never.

The Hon. MICHAEL GALLACHER: Mr Lee, what about you? When did you last have a discussion with Mr Richardson?

Mr LEE: I have not had a discussion with Mr Richardson.

The Hon. MICHAEL GALLACHER: Never? You have never spoken to him?

Mr LEE: That is correct.

The Hon. MICHAEL GALLACHER: Wow! He gets paid \$25,000 a month and you have not made any inquiries as to why he is getting that.

Mr NATHAN REES: I do not recall ever meeting him and I certainly have never had a discussion with him.

The Hon. MICHAEL GALLACHER: How long have you known him?

Mr NATHAN REES: I do not know him; I know of him.

The Hon. MICHAEL GALLACHER: Okay. Do you know of anyone who is in Mr Richardson's employ in his role as a lobbyist?

Mr NATHAN REES: No.

Ms LEE RHIANNON: Premier, considering that a young woman and her partner are facing a possible prison sentence in Queensland for procuring an abortion, and considering that the New South Wales law on abortion is similar to the Queensland law, do you think this law needs to be reviewed?

Mr NATHAN REES: I will have to take that question on notice. It is not a matter where I would arrive at a position on my own. There is a wide variety of views, not just in the community but also in the Parliament.

Ms LEE RHIANNON: Are you saying that you are unwilling to answer it?

Mr NATHAN REES: I believe the existing statute in New South Wales is satisfactory. If it is demonstrated conclusively that that is not the case, that it is hypothetical, we will deal with it as it arises.

Ms LEE RHIANNON: Considering that the Queensland law and the New South Wales law are virtually the same and that the statement you just referred to has been made over many years—that a criminal conviction could not occur, but that it now has—I ask you that question again. It is not about changing the law; it is about whether the law should be reviewed.

Mr NATHAN REES: It is under the Attorney General's portfolio and his public statements are that the existing statute strikes a balance. With respect, I am struggling to see the nexus with the budget papers.

Ms LEE RHIANNON: In an earlier answer to the Opposition you said you were willing to answer a whole range of questions that were relevant to the State. Clearly this is relevant.

The Hon. EDDIE OBEID: Where is the line item in the budget?

Ms LEE RHIANNON: You are not helping the Premier here, Eddie. You are making things worse for him and it would be best if you did not intervene. It really is a bad look for the Premier.

The Hon. EDDIE OBEID: It is a bad look that you have not prepared any questions on the budget.

CHAIR: Order! Committee members will cease arguing and just ask questions.

Ms LEE RHIANNON: I am trying to.

CHAIR: The Premier has answered the question.

Ms LEE RHIANNON: I think he was halfway through it.

Mr NATHAN REES: We have an existing statute in this State and practice that goes with it. The Attorney General has carriage of the appropriate legislation. Today I am not in a position to indicate any review or departure from it.

Ms LEE RHIANNON: When you answered the question initially you said—

The Hon. PENNY SHARPE: He said he would take it on notice.

Ms LEE RHIANNON: Yes. I just wanted to check. Considering it has been explored, can you take it on notice?

Mr NATHAN REES: Yes. There are a whole range of legal ramifications and so on that we have to consider.

Ms LEE RHIANNON: Thank you, Premier.

Mr NATHAN REES: Minister Macdonald promised that the Game Council would be self-funding. The Treasurer approved a \$5 million loan from TCorp between 2004-05 and 2006-07. When the Game Council failed to pay back \$2 million of that loan, the Government wiped the loan. Can you explain why that decision was taken?

Mr NATHAN REES: I will have to take that question on notice. I suspect the Treasurer is best placed to answer that.

Ms LEE RHIANNON: Premier, when you detailed the changes to electoral funding reform and spelt out a whole lot of things that you indicated you were quite proud of, you failed to mention the major change that we are seeing whereby Labor and Liberal members of Parliament and candidates are no longer reporting directly to the Election Funding Authority the donations that they receive but are funnelling those donations through their head office. So now, when we look at the returns to the Election Funding Authority, and we look at returns from donors, often we see money donated to an individual candidate or member of Parliament. But that individual does not report that money, the head office does, which really reduces transparency and accountability. Could you explain why you did not give that as one of the items you listed, and do you share concerns that this has been a setback for accountability?

Mr NATHAN REES: I think the issue you are getting at is the capacity to declare donations to individuals, as distinct from going through the party machine. Is that it?

Ms LEE RHIANNON: No. You go to a fundraiser and somebody gives money to you there, but you—

Mr NATHAN REES: That then gets declared.

Ms LEE RHIANNON: It is declared. So everything is done legally. I am not saying it is done illegally.

Mr NATHAN REES: So there is compliance with the law.

Ms LEE RHIANNON: Yes.

Mr NATHAN REES: It is where it ends up on the public record. Is that it?

Mr NATHAN REES: Yes. It has reduced transparency.

Mr NATHAN REES: On our side of the Parliament, we have not had a hard and fast rule on that issue, as I understand it. But, certainly, on the other side, it seems to go through the headquarters alone.

Ms LEE RHIANNON: Yes. That is certainly the case.

Mr NATHAN REES: So that is far less transparent.

Mr NATHAN REES: But now, with Labor, you are changing over to the Liberal and the National system—I will leave the Nationals out; the Liberal system.

The Hon. EDDIE OBEID: They are being corrupted.

The Hon. TREVOR KHAN: You can talk, Eddie!

Ms LEE RHIANNON: Do you acknowledge that that is a setback to transparency?

The Hon. MICHAEL GALLACHER: It is called the Obeid model.

Ms LEE RHIANNON: Do you acknowledge that that is a setback—

Mr NATHAN REES: With respect, I am not going to be drawn on the details of where the Federal review might end up. I have a strong view about public funding and donations and that has been well aired. Ultimately, where we arrive at as a jurisdiction, in consultation with the Federal Government and the other jurisdictions, will ultimately be a matter of negotiation.

Ms LEE RHIANNON: Premier, with all due respect, you cannot use the Federal regime change proposals as a cover because, as you have just detailed, changes were made to the New South Wales law. This is just an issue of disclosure. It is an issue that you could easily manage in New South Wales, and it is where you could give leadership and clean up what is wrong. We are seeing donations being hidden. There are all these fund-raising breakfasts. You just mentioned what Mr O'Farrell is about to do with the 4,000 deals that the Opposition has coming up. We will not be able to track and link individuals with those donations.

The Hon. PENNY SHARPE: What is the question, Lee?

Ms LEE RHIANNON: In response to the first part of my question, Premier, you said the changes need to be made at a Federal level. But this is an issue of State disclosure. You made some changes in June 2007. Why can you not clean that up?

Mr NATHAN REES: If there are elements of electoral donation reform that either are not canvassed or do not go far enough in what the Commonwealth arrives at, we will give consideration to going on our own. But until that is settled it is pointless speculating.

Ms LEE RHIANNON: That is really disappointing because you have acknowledged—

The Hon. PENNY SHARPE: That is not a question.

Ms LEE RHIANNON: Changes were made in June 2007—

Mr NATHAN REES: I am sorry to disappoint, but that is the—

Ms LEE RHIANNON: But, seriously, you are just not doing your job.

The Hon. EDDIE OBEID: We are very happy for you to be disappointed!

Ms LEE RHIANNON: I will move on. At a public meeting held last month at the Ku-ring-gai town hall on the Shooters bill with regard to hunting in national parks and what they call sustainable duck hunting, Robert Brown stated that when the Government cooperated with the Shooters agenda, the Shooters members of Parliament voted with the Government, and when there is no cooperation they do not vote with the Government. He explained how the deal is worked, and I must admit that I was surprised at how forthcoming he was. As you would know, we have all seen how this has played out in recent weeks. Considering that many changes were made in New South Wales when the deal was working, will you review, with consideration being given to winding back, some of those changes with regard to the large amounts of money that are allocated to shooting complexes, the large amounts of public land that are allocated for shooting complexes, and specifically review

the Game Council, which was a feather in the cap of the Shooters Party when the deals were operating between the Government and the Shooters Party?

Mr NATHAN REES: There are no plans to do that.

Ms LEE RHIANNON: You will not even review it?

Mr NATHAN REES: I am saying that there are no plans to do so.

Ms LEE RHIANNON: Would you agree, Premier, that if the proposal for the Game Council came forward now, the Government would review it more closely and might not support it?

Mr NATHAN REES: With respect, that is hypothetical. In New South Wales, as in many other jurisdictions, we do not hold the balance of power in the upper House.

Ms LEE RHIANNON: But you used to with the Shooters, and that has broken down.

Mr NATHAN REES: I do not concede that. What I do say is that we will continue to negotiate bill by bill. That is appropriate. Are there some periods when it is more difficult than others? Yes. But that is what my colleagues in the upper House do: they negotiate, often with you.

Ms LEE RHIANNON: Not very often, unfortunately, Premier, as I think you are aware. We have said that to you publicly time and again. Premier, you would be aware of the massive—

Mr NATHAN REES: Hang on a minute. One of the first things I did when I came into this role was to meet with you and your Greens colleagues, to demonstrate my bona fides in regard to talking with you and with them. If the relationship has not flourished as we both hoped it might, there is probably more some more work to do.

[Short adjournment]

Mr NATHAN REES: Chair, I have a couple of supplementary answers as material has come through during the break. In response to the query about the ministerial code of conduct, I am advised that the former Auditor-General, Bob Sendt, requested a variation to the original arrangement. The most recent version of the code of conduct requires that disclosure be placed upon a schedule to the register of interest as distinct from the Auditor-General. That was at the former AG's request. Further to Ms Rhiannon's query about specific funding to the Election Funding Authority to cover political and donation reforms, an additional amount of recurrent funding of \$1.37 million was provided.

CHAIR: Budget Paper No. 3, Volume 1, page 2-96, under grants and contributions, shows \$36.5 million for 2009-10 for Events New South Wales Pty Limited. Does that include a grant to the Gay and Lesbian Mardi Gras parade, which was provided in 2009? If so, how much will the grant be? Do you believe it is justified for a grant to go to a private company?

Mr NATHAN REES: I will have to take that on notice.

CHAIR: Do you have any views on whether that grant should continue?

Mr NATHAN REES: It will depend on the quantum. Again, there are always competing demands for funding. I will have to take it on notice and look at the quantum. Perhaps we can get that information during the course of this afternoon.

CHAIR: Much concern has been expressed about the recent decision of the Director of Public Prosecutions to not proceed with certain cases. He claims under law that he does not have to give anyone any reasons—I do not know whether that includes the Government or the Premier. I believe that system is unsatisfactory. I would not expect detailed reasons to be given but, in principle, he should provide some explanation rather than there just being a wall of silence. Do you believe that procedure should be reviewed?

Mr NATHAN REES: It is fair to say that the separation of powers is a long-established doctrine that has served western democracy well. Notwithstanding, on occasion directors of public prosecutions frustrate

members of the public and in doing so frustrate members of Parliament. The DPP needs to be mindful, as we all do, of public confidence in the institution. Ultimately, it is a matter for him or her to determine whether or not to publish reasons for decisions. On balance, it would be a good thing to do that but ultimately, depending on the issue, it is a matter for the DPP.

CHAIR: As you know, he dropped charges against Mr McGurk, who was recently murdered?

Mr NATHAN REES: Yes.

CHAIR: Which makes it a very controversial issue?

Mr NATHAN REES: Indeed.

CHAIR: It raises the question of pressure being involved and the need for him to give reasons to remove public concern about that decision. Would you at least give some assurance that this matter will be reviewed? It may mean changing legislation to do that.

Mr NATHAN REES: I am not in a position to commit to a formal review of the legislation. I can say that I will speak to the Attorney and seek advice from him on what custom and practice is in other jurisdictions. If there are areas where we believe that public confidence in the DPP's decision making could reasonably be improved, I am happy to look at that.

CHAIR: On page 2-31 of Budget Paper No. 3, Volume 1, the reference to freedom of information refers to the Ombudsman making 88 recommendations to improve the operation of FOI. How many of those recommendations have been adopted?

Mr NATHAN REES: We adopted a number of the Ombudsman's recommendations in the new Government Information (Public Access) Act. I met with the Ombudsman. There are a couple of issues on which we had to agree to disagree. By and large, certainly the spirit of his review of the Freedom of Information Act has been enacted in our new legislation.

CHAIR: Were there any recommendations not adopted by the Government?

Mr NATHAN REES: As I recall, there was one relating directly to the Ombudsman's role as an oversight body. Just to clarify that, are you referring to the Ombudsman's report into the RTA or its review of the Freedom of Information Act?

CHAIR: This appears in Budget Paper No. 3, Volume 1, at page 2-31. I took it to be a review of the Act.

Mr NATHAN REES: My comments stand. We disagreed about the establishment of the Government Information Commissioner and where that should be located in the architecture of government. But the central thrust of the Ombudsman's review will, I believe, be picked up.

CHAIR: In Budget Paper No. 3, Volume 1, at page 22-31, it is stated, "The Ombudsman made 88 recommendations to Government to improve access to information in New South Wales".

Mr NATHAN REES: I read that. I am happy to take it on notice. I am certain that we did a recommendation-by-recommendation reply. I am happy to furnish you with that.

CHAIR: On page 2-30 another reference deals with child deaths and states that the Ombudsman conducted a review "to make recommendations to prevent and reduce the risk of deaths in the future". Did he actually make recommendations, and were they adopted?

Mr NATHAN REES: I will have to get advice on the extent of the overlap between the Ombudsman's recommendations and the Wood Special Commission of Inquiry into Child Protection Services in New South Wales. That has been a comprehensive review of the arrangements that we have in place. It is a staged implementation of a very fundamental change to custom and practice, and it has also been funded very well. The critical stages for that rollout of training for staff, who are in front-line positions and come into contact day to

day with children, changes the threshold of reporting, and so on. I would need to take on notice the extent of overlap between the Ombudsman's recommendations and the Wood inquiry.

CHAIR: There is some concern whether the Commissioner for Children and Young People's role has been diminished in this change. Is that correct? Will the commission still be fully involved?

Mr NATHAN REES: As far as I am concerned, their role has not been diminished at all. They will continue to conduct their child death review, and that has been their central role and contribution. That will not change.

CHAIR: In Budget Paper No. 3, Volume 1, at page 2-89, there is a reference to the Audit Office of New South Wales that conducted 495 financial audits of the New South Wales government agencies. Your own budget paper states, "Of these, the Office only issued 15 qualified audit opinions ...", meaning that 480 were deficient in that they "did not fully comply with accounting standards or contained material errors". Has action been taken to rectify that situation?

Mr NATHAN REES: Mr Chairman, with respect, I think it may be the other way round. A qualified audit is one that does not necessarily meet the requirements.

CHAIR: They are the ones that have been rejected?

Mr NATHAN REES: That is right.

CHAIR: The Audit Office approved of the other 480?

Mr NATHAN REES: That is right. I am happy to furnish you with the other 15 and action to date.

CHAIR: The other comment was, "Of the 779 recommendations the Office made it to its top 50 financial audit clients, 97 per cent were accepted", so 3 per cent are still to be adopted.

Mr NATHAN REES: Or may have in fact been rejected, and presumably for good reason.

CHAIR: Lastly, in the electoral commission's report, they indicate how they have been able to ensure 92 per cent of New South Wales residents are enrolled. That means 8 per cent are not enrolled. Is there any procedure to try to increase that enrolment figure, unless it is accepted that you cannot improve on 92 per cent, taking into account human nature?

Mr NATHAN REES: As members will be aware, the existing arrangements for updating electoral rolls relies on a combination of individuals volunteering new circumstance and, at intervals, the electoral commission conducting surveys of households. That clearly has room for people to fall through the cracks. We are currently in a process of updating the way that occurs electronically. What that would mean is that when government agencies, for example, hold information about an individual—when, for example, that individual moves house to another part of the State—that would automatically update the electoral roll. That work is currently underway.

Probably of more concern to me for a range of reasons is our capacity to identify and get on the electoral roll indigenous Australians, who often live in very remote and isolated communities. There has been some work go on with the Aboriginal land councils on that front, but the move to electronic updating of the role as per changes in individual circumstance notified to a government agency and triggering an electronic update will be the central means by which we reduce that 8 per cent.

CHAIR: We will take questions from the Opposition.

The Hon. MICHAEL GALLACHER: I confirm our time slot is 10 minutes.

The Hon. TREVOR KHAN: Premier, how many meetings have you had with the head of Events New South Wales, John O'Neill, since you have been Premier?

Mr NATHAN REES: John is the chair and Mr Parmenter is the CEO. I would have to check my diary because sometimes I meet with him on Events New South Wales matters; other times it is on other matters. On

occasions it is simply at the football. I would have to check my diary to give you the specifics. I think Events New South Wales is doing a very good job. It is an area that I do not think we have chased as hard as we should have since the Olympics—I have made that point publicly—but it certainly has my full support. It is funded in order to chase events that will be anchor events, for want of a better term, that are staples of an annual calendar that people from interstate or overseas can plan their holidays, trips and so on around.

Over the past 12 months we have secured a range of events: the Edinburgh Military Tattoo, the Socceroos versus the Netherlands, Danny Greene versus Roy Jones Junior, which we think will be the biggest fight ever staged in Australia, the women's world hockey championships, the women's world cup for cricket, Top Gear live, the Repco rally and the Australian Open golf championships. On top of that there has been Vivid and Breakfast on the Bridge. Those are the sorts of events that allow us to showcase the State to the rest of the world, and Events New South Wales does a good job.

The Hon. TREVOR KHAN: How many Events New South Wales board meetings have you attended in the past year?

Mr LEE: If I could answer that, I am a representative on the board. Usually, four meetings are conducted per annum, and other papers are circulated between meetings. The membership of Events New South Wales has some pre-eminent people from New South Wales. As you have said, John O'Neill as well as Kim Williams and other prominent people from the fashion industry, the sporting industry, Johanna Griggs and the like.

The Hon. TREVOR KHAN: How many board meetings have you attended since you became Premier?

Mr NATHAN REES: My director general attends those meetings. He knows my view on these matters.

The Hon. TREVOR KHAN: Do I take it as none?

Mr NATHAN REES: Yes.

The Hon. TREVOR KHAN: Was it the case that prior to you ascending to power the former Premier Mr Iemma attended board meetings of Events New South Wales?

Mr NATHAN REES: I cannot answer for Mr Iemma.

Mr LEE: I can confirm that Mr David Richmond was the former Premier's representative on Events New South Wales. Following on from his term as coordinator general, the Premier has now appointed Mr Richmond as an independent director to serve on Events New South Wales to ensure continuity.

Mr NATHAN REES: I am satisfied with the progress that Events New South Wales is making. John and Mr Parmenter know my views on this matter, that we have to aggressively chase international events. We have done that. In addition to the list I read out, we have the World Masters Games coming, the V8 Supercars, Crave, the spring time festival. We have secured the musical composer for *Slum Dog Millionaire*, A. R. Rahman, who is coming out here next year. These are the sorts of events that we will continue to chase. As an ambassador for Sydney, Greg Norman has also been integral to this. I think we are making headway on this front. It requires a concerted effort but John and Geoff are conducting that very well.

The Hon. TREVOR KHAN: Following a freedom of information [FOI] application, it was disclosed that supplies—that is, groceries and the like—for your office were being purchased from reasonably expensive centres about the town. Was it the case that subsequent to that you indicated that you would be issuing directions with regard to where your grocery supplies and the like should be obtained?

Mr NATHAN REES: No. In fact, from memory, I made that change in advance of that FOI disclosure going out.

The Hon. MICHAEL GALLACHER: Any idea how far in advance?

Mr NATHAN REES: Some months, from memory. As for the average annual cost of entertainment and catering costs of Premiers, I have the information in front of me. The average annual cost for former Premier Carr was \$61,000; the average annual cost for former Premier Iemma, \$37,700; the average annual cost for current Premier Rees, \$8,500.

The Hon. MICHAEL GALLACHER: It is like a soup kitchen.

Mr NATHAN REES: It is very good soup. Jokes aside, I understand the sensitivity around these issues. I will give you an example. I am advised that we have more consuls-general in Sydney than any other city in the world, because it is such a terrific place to be. Inevitably, when I meet with those ladies and gentlemen it is appropriate that there be some hospitality. I do not think anyone would have a reasonable disagreement with that. We are showcasing the State to the world in an event such as that. I think the figures speak for themselves: \$61,000, \$37,000, and \$8,000.

The Hon. TREVOR KHAN: I think your public statements were generally along the lines that there was a public expectation that grocery items and the like be purchased from the Coles and Woolworths of this world—

Mr NATHAN REES: No, I did not say that. I think it was a newspaper assertion to that effect. From memory, I simply sought to discontinue a practice of purchase from the central supermarket here.

The Hon. TREVOR KHAN: Is it the case that you have employed an office manager?

Mr NATHAN REES: That is right.

The Hon. TREVOR KHAN: Does that office manager actually perform the duties of a chef?

Mr NATHAN REES: No. On occasions when there are functions, as discussed, then that officer is engaged to deliver that function, but when there is no function they are engaged in office management duties—entirely separate.

The Hon. MICHAEL GALLACHER: So they are a qualified chef?

Mr NATHAN REES: I do not know whether they are qualified. I would have to take that on notice. I do not believe they are.

The Hon. TREVOR KHAN: Do the costs you have quoted include a component for labour costs, such as the retaining of a chef?

Mr NATHAN REES: Eight thousand dollars to retain a chef? No.

The Hon. TREVOR KHAN: If you have an employee who is performing the function of a chef, is that included in the \$8,000?

Mr NATHAN REES: It has been drawn to my attention that domestic actuals for yourselves has doubled to \$22,000 a year over the past 12 months. So I would submit that we are running a pretty lean show.

The Hon. MICHAEL GALLACHER: But you have somebody who is cooking for dignitaries who you do not know is a chef, is that what you are saying?

The Hon. EDDIE OBEID: He did not say that at all.

The Hon. PENNY SHARPE: He said he would take the detail on notice.

Mr NATHAN REES: Occasionally they are available; the rest of the time they are managing an office. It is straightforward: \$8,000 versus \$37,000 versus \$61,000, versus \$22,000 for yourselves.

The Hon. MICHAEL GALLACHER: What are they employed as—a chef or an office manager?

Mr NATHAN REES: An office manager primarily.

The Hon. MICHAEL GALLACHER: What sort of wage scale are we talking about?

Mr NATHAN REES: I would have to take that on notice.

The Hon. MICHAEL GALLACHER: You do not know. You do not know if the person is qualified as a chef when you have dignitaries coming in from the consuls, as you have mentioned earlier? You mentioned the consuls and you said you have the consuls coming in and seeing you, and you have to—

Mr NATHAN REES: I used that as an example. Often we have receptions and so on for consuls-general and there are other occasions on which it is appropriate that hospitality be extended.

The Hon. MICHAEL GALLACHER: So you say to the American consul, "I have my receptionist cooking your lunch"—

Mr NATHAN REES: Hang on, you have asked me a question. You have been making a habit of this all afternoon. If you are going to ask me questions, I am happy to sit here for as long as you like answering those questions. But I would appreciate you having the manners and doing me the respect of allowing me to answer. Then you can ask me another question and we will probably get through more questions that way.

The Hon. MICHAEL GALLACHER: So the question was: You have someone who is cooking for dignitaries—

Mr NATHAN REES: There is no chef specifically employed to cook food for me or anyone else.

The Hon. TREVOR KHAN: Are you able to give us an indication of the number of meals that have been prepared by the office manager since you became Premier?

Mr NATHAN REES: I would have to take that on notice. I remind you: \$61,000, \$37,000, \$8,000, compared to \$22,000 for yourselves.

The Hon. TREVOR KHAN: I ask you again: does the \$8,000 include a component for labour?

The Hon. MICHAEL GALLACHER: Or just the groceries?

Mr NATHAN REES: No, the advice is that it does not.

Ms LEE RHIANNON: You would be aware obviously of the massive contribution the Hunter has made to the State and national economies over many decades. Considering that mining and burning of coal have come at a cost to the health of many locals, would you support establishing and funding an independent inquiry into the cumulative health impacts of coalmining and power stations in the Hunter?

Mr NATHAN REES: I have made this statement publicly and I make it again today. There is no question that we are in transition to a carbon-constrained future. The reality is that it is a bigger adjustment for Australia, and indeed, for regions such as the Hunter, than probably most parts of the world because of the historical reliance on coal. Coal is worth around \$19 billion, and that is about 82 per cent of the total value of mineral production in the State per annum. It employs around 17,000 people directly and about three times that number indirectly. We have had consultations around the State on things like the State Plan, and we have held community cabinets. We were in Maitland about a month ago in a region that understands the historic importance of coal to its local economy and for the provision of jobs, and I think there is a shift occurring in community moods, as you would be aware. A generation of people in those regions are becoming very clear about their desire to move away from coal being such a central feature of their local and regional economy. The heart of your query was about a health study. I take it you are not talking workplace injury?

Ms LEE RHIANNON: No, local doctors record an increased incidence of respiratory illnesses and cancer clusters. I think some locals who have had a long-term concern about this matter may have raised it with you or some of your Ministers at a community cabinet. What is your response to the continuing call for such an inquiry?

Mr NATHAN REES: I have just appointed a new Minister for Energy and Environment. We have a particular focus on clean energy. I am happy for the details of any preliminary work that was done be forwarded to either Minister Robertson or Minister Tebbutt. Ultimately I think the public health unit in the Department of Health, and public health officials with whom I have dealt in New South Wales, are the best I have seen in Australia. There is a state of the State report, for want of a better term, that outlines the epidemiological profile of the population released every two years, I think, by the Department of Health. If there are, in fact, the sorts of clusters that you are talking about in regions that have a coal dominance in their economies and so on, then my preliminary answer is that it would certainly show up in a Chief Health Officer's report which is released every couple of years. I am happy to have a look at that.

Ms LEE RHIANNON: The Minister for Transport, David Campbell, attempted to explain your Government's plan to repeal legislation that requires an Act of Parliament to remove a rail line. He said that the desire is to turn disused rail lines into cycleways. Will you explain why you intend to repeal the legislation in light of such a lame justification by Minister Campbell? If it is your intent to turn disused rail lines into cycleways, could it not be achieved without repealing legislation that was put in place more than a century ago and was meant to protect our railways?

Mr NATHAN REES: I am not sure of the question.

Ms LEE RHIANNON: Minister Campbell said that we have got to get rid of legislation that protects rail lines in order to install cycleways, which is a lame excuse.

Mr NATHAN REES: My understanding is that the existing statute precludes any other activity, other than rail. Are these disused lines that will never be used again? It is envisaged that if the community want a bike path and so on to be put down that track—

Ms LEE RHIANNON: Do you seriously say that is the only reason to do it?

Mr NATHAN REES: Ms Lee Rhiannon, the same comment as I made to Mr Gallacher a moment ago, please let me answer the question. The situation arises if, indeed, a community wants to use an existing disused corridor, and there are no foreseeable plans for its use, then this allows that option to be available to them. My recollection is that we had no option other than to change the legislation. I am happy to have a look at it, and take it on notice.

Ms LEE RHIANNON: Do you say you would seriously consider looking at specific cases, without repealing the whole Act?

Mr NATHAN REES: My recollection is that the existing legislation does not allow us to use those lines for anything other than rail, without a change to the legislation.

Ms LEE RHIANNON: But you can by introducing an Act of Parliament! That is how it has been handled so far—when you want something done with a line, legislation is introduced about that line.

Mr NATHAN REES: I will take that on notice. I have some information to note. There are more than 3,000 kilometres of disused rail lines across rural and regional New South Wales. The Government's proposal allows for the sale of disused rail corridors potentially, or for the development of such corridors, for rail trails and pushbike passes and so on. This is in response to community requests when groups have approached the Minister for Transport to convert those corridors to rail trails or recreational tracks, bike riding, walking or other recreational purposes. There are currently eight proposals for rail trails in New South Wales. As I understand it, other States have supported this approach. There is little likelihood that these disused lines will ever be required for train services again—many of them have not seen a train for 30 years.

Any proposal for closure will be subject to the appropriate scrutiny with a community consultation requirement and so on. The way in which community consultation will occur is set out in a rail trails bill and would therefore, if passed, be included in the legislation. That is the advice to me; that is as specific as I can get.

Ms LEE RHIANNON: Does it remain as public land or can it be sold off?

Mr NATHAN REES: It would depend on the proposition. It may be, for example, that a council may seek to purchase the land.

Ms LEE RHIANNON: So it can be sold?

Mr NATHAN REES: I will have to take it on notice.

CHAIR: I refer to Budget Paper No. 3, volume 1, on page 2-96, in relation to Events NSW Pty Ltd \$36,900 million in grants. Will you provide the committee with a list of the grants?

Mr NATHAN REES: I will take that question on notice.

CHAIR: Will you update the committee on the Keep Them Safe Program? What is involved in that program?

Mr NATHAN REES: In March 2009 we released the Keep Them Safe report that takes the recommendations of the Special Commission of Inquiry into Child Protection Services and translates them into detailed and deliverable actions for government and specifically have timeframes attached to that implementation. We have committed \$750 million over the next five years to the implementation, and more than 40 per cent of those funds will go to non-government organisations, expanding early intervention and intensive family preservation services. We have passed the Children Legislation Amendment (Wood Inquiry Recommendations) Act enabling that response, and Justice Mark Marien has been appointed as the first President of the Children's Court. New child wellbeing units are being established in government agencies and NSW Health is establishing new regional intake and referral services with a tender for three trial regions being undertaken in September, and more milestones will be reached soon.

We are working hand in glove with our non-government partners. I pay tribute to members of non-government organisations for the services they deliver and the advisory groups that are assisting the Minister for Community Services in the task. I have a small unit established in my own department to coordinate both the development of the response and to oversee implementation. There has been a fair bit of progress to date. The timeframes are very tight—I flag that—and that is challenging but at this stage we have not seen fit to vary the timetable that we are committed to.

CHAIR: I refer to Budget Paper No. 3, volume 1, page 2-6 where reference is made to your department managing the "sale of the Cumberland College Campus to the University of Sydney. Part of the sale will be allocated to the Westmead Research Hub". What was the final sale price?

Mr NATHAN REES: I will take that on notice. It is coming back to me. It is the Lidcombe site you are referring to?

CHAIR: Cumberland College campus.

Mr NATHAN REES: From memory, \$30 million. If memory serves, it involved the transfer of Crown land that the university had been operating on into freehold title for the university, allowing them to borrow against it. They paid that money to us, or arrangements are in place to get those funds. It went into a grant of \$30 million for the Westmead Millennium Institute and the medical research that they do, which is very considerable; it is an essential plank of our research focus, but a long overdue contribution to a western Sydney medical research institute. Regrettably it got no media coverage at the time, but I know that Professor Tony Cunningham and the researchers and doctors there were greatly appreciative of that increase in funding through what can only be described as an innovative arrangement with the University of Sydney.

CHAIR: The budget papers said that only part of that sum went to the Westmead institute, but you are saying all of it went?

Mr NATHAN REES: That is my understanding, but I will take the substance of that question on notice and come back to you.

The Committee proceeded to deliberate.